

Message Text

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PAGE 01 CAIRO 07044 131506Z

45

ACTION NEA-16

INFO OCT-01 ISO-00 EB-11 COME-00 AID-20 CIAE-00 FRB-03

INR-11 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SP-03

CIEP-03 LAB-06 SIL-01 OMB-01 SS-20 NSC-07 L-03 STR-08

DRC-01 /135 W

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R 031355Z SEP 74

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 8951

INFO AMEMBASSY BEIRUT

LIMITED OFFICIAL USE CAIRO 7044

E.O. 11652: NA

TAGS: ECON ETRD EG

SUBJECT: FINANCING OF EGYPTIAN GOVERNMENT PURCHASES

1. WHEN THE EGYPTIAN GOVERNMENT HAS ASKED FOR FINANCING
IN TENDER OFFERS OR INVITATIONS TO BID, SEVERAL AMERICAN
COMPANIES HAVE BEEN ABLE TO
OVERCOME THE PROBLEMS
CREATED BY HIGH CREDIT COSTS. FINANCIAL PACKAGES
HAVE BEEN OFFERED WHICH, FOR EXAMPLE, OFFER 7 OR 8 PERCENT
INTEREST ON THE OUTSTANDING BALANCE PLUS AN ANNUAL FEE OF
1 TO 2 PERCENT ON THE TOTAL FINANCED PORTION OF THE PURCHASE
FOR THE ENTIRE TERM OF THE LOAN. CREDITS HAVE BEEN
EXTENDED IN THE 2-5 YEAR RANGE. SUCH NOMINALLY ATTRACTIVE
INTEREST RATES OF COURSE ARE ONLY POSSIBLE BECAUSE

PART OF THE INTEREST COSTS HAVE BEEN INCLUDED IN THE

SALES COST OF THE ITEM WITH THE VENDOR MAKING A DIRECT
PAYMENT TO THE FINANCIAL INSTITUTION.

2. SUCH INNOVATIVE TECHNIQUES CAN BE THE DECISIVE FACTOR

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PAGE 02 CAIRO 07044 131506Z

IN SELLING IN EGYPT.;

EILTS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT PROCUREMENT, DEBT REPAYMENTS, BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: shawdg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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Handling Restrictions: n/a
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ISecure: 1
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Office: ACTION NEA
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
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Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 14 AUG 2002
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Review Exemptions: n/a
Review History: RELEASED <14-Aug-2002 by cunninfx>; APPROVED <27 FEB 2003 by shawdg>
Review Markings:

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30 JUN 2005

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